

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
DOCUMENT PROCESSING DIVISION
45 CHENELL DRIVE
PO BOX 637
CONCORD NH 03302-0637

NEW HAMPSHIRE

Estate

Tax Booklet

This booklet contains:

**GENERAL
INSTRUCTIONS**

FORM NH 706

FORM NH 706-ES

From the Commissioner

Dear Taxpayer:

Enclosed are the Estate Forms and instructions necessary for filing your NH Estate Tax Return and estimated payments. Since it is a goal of this department to streamline the process of paying taxes, any comments or suggestions are always welcome.

There are a few areas which I would like to highlight for you:

EXTENSIONS:

An extension to file the NH 706 Estate Tax Return will be granted by the Department of Revenue Administration if a copy of the approved Federal Extension is attached to the tax return when filed.*

* Please note however, that an extension of time to file the return does not extend the time to pay the tax.

NEED HELP OR FORMS:

The Estate & Legacy Bureau provides taxpayer assistance between 8:00 a.m. and 4:30 p.m. every workday. If you need additional forms or information, please call (603) 271-2580.

Stanley R. Arnold, Commissioner

**New Hampshire Estate Tax Return
 General Instructions**

WHO MUST FILE A RETURN	<p>The executor or administrator must file a NH 706 Estate Tax Return if:</p> <ul style="list-style-type: none"> - a resident decedent has a total gross estate of \$600,000 or more, prior to and through 1997, and files a Federal Form 706 - a resident decedent has a total gross estate of \$625,000 or more through 1998 and files a Federal Form 706 - (See chart below for future years) - a non-resident decedent who owns real estate and/or tangible personal property in NH and files a Federal Form 706. <table data-bbox="483 409 1079 640"> <thead> <tr> <th><u>Calendar Year</u></th><th><u>Credit Amount</u></th></tr> </thead> <tbody> <tr> <td>1998</td><td>\$ 625,000</td></tr> <tr> <td>1999</td><td>\$ 650,000</td></tr> <tr> <td>2000</td><td>\$ 675,000</td></tr> <tr> <td>2002</td><td>\$ 700,000</td></tr> <tr> <td>2004</td><td>\$ 850,000</td></tr> <tr> <td>2005</td><td>\$ 950,000</td></tr> <tr> <td>2006</td><td>\$1,000,000</td></tr> </tbody> </table> <p>IRC Section: 2035 Effective Date 8/5/97 RSA 87:1</p>	<u>Calendar Year</u>	<u>Credit Amount</u>	1998	\$ 625,000	1999	\$ 650,000	2000	\$ 675,000	2002	\$ 700,000	2004	\$ 850,000	2005	\$ 950,000	2006	\$1,000,000
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WHAT TO FILE	<p>You must file the NH 706 Estate Tax Return along with full payment within 9 months from the decedent's date of death. If the return cannot be filed on time, then file a NH 706 Estimate with full payment of the tax due.</p>																
WHEN TO FILE	<p>The Estate Tax Return and payment are due 9 months from the decedent's date of death.</p>																
WHERE TO FILE	<p>NH Department of Revenue Administration 45 Chenell Drive PO Box 637 Concord, New Hampshire 03302-0637</p> <p>TAX DOCUMENTS MAY NOT BE FAXED TO THE DEPARTMENT</p>																
INFORMATION NECESSARY TO COMPLETE FORM NH 706 RETURN	<p>A complete copy of the Federal 706 as filed with the Internal Revenue Service including all attachments must be filed with the NH 706 Estate Tax Return.</p>																
CONFIDENTIAL INFORMATION	<p>Disclosure of Social Security Account Numbers is mandatory under Department of Revenue Administration rules 203.01, 221.02, 221.03 and 311.04 (c). This information is required for the purpose of administering the tax laws of this state and authorized by 42 U.S.C.S. § 405 (c) (2) (C) (i).</p> <p>Tax information which is disclosed to the New Hampshire Department of Revenue Administration is held in strict confidence by law. The information may be disclosed to the United States Internal Revenue Service, agencies responsible for the administration of taxes in other states in accordance with compacts for the exchange of information, and as otherwise authorized by New Hampshire Revised Statutes Annotated 21-J:14.</p> <p>The failure to provide Social Security Account Numbers may result in the rejection of a return or application. The failure to timely file a return or application complete with Social Security Account Numbers may result in the imposition of civil or criminal penalties, the disallowance of claimed exemptions, exclusions, credits, deductions, or an adjustment that may result in increased tax liability.</p>																
EXTENSION TO FILE	<p>An extension to file will be granted only when a copy of the approved Federal Extension is attached to the NH 706 Estate Tax Return.</p>																
PAYMENT OF ESTIMATED TAX	<p>An executor or administrator may make an estimated payment of the tax liability using a NH 706 Estimate Payment Form.</p>																
ROUNDING OFF TO WHOLE DOLLARS	<p>Money items on all New Hampshire Estate Tax forms may be rounded off to the nearest whole dollar.</p>																
NEED FORMS OR HELP	<p>Forms are available at each county Probate Court or by calling the Department's forms line (603) 271-2192, 24 hours a day, 7 days a week. For taxpayer assistance, call the NH Department of Revenue Administration Estate and Legacy Bureau at (603) 271-2580, Monday through Friday, 8:00 a.m. to 4:30 p.m. Hearing and/or speech impaired individuals may call TDD Access: Relay NH 1-800-735-2964.</p>																

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
NEW HAMPSHIRE ESTATE TAX RETURN

STEP 1	Estate of:	LAST NAME	FIRST NAME	MIDDLE INITIAL	Decedent's Social Security No.	Date of Death
	Domicile at date of death:	STREET	CITY/TOWN	STATE	COUNTY	Probate No.
	Name of Executor/Administrator:	LAST NAME	FIRST NAME	MIDDLE INITIAL	Executor's/Administrator's Social Security or FEI No.	
	Executor/Administrator Address:	STREET	CITY/TOWN	STATE	ZIP CODE	

STEP 2	Authorization is granted to the representative listed below to receive confidential tax information under RSA 21-J:14 and to act as the estate's representative before the NH Department of Revenue Administration.					
	Name of Representative:			Address: Street, City/Town, State and Zip Code		
				(Area Code) Telephone No.		
Signature of Executor/Administrator (This line must be signed to qualify as a power of attorney):						

STEP 3	Has an extension to file the Federal Estate Tax Return been granted? Yes ____ No ____ If yes, attach a copy of the approved Federal Extension request.					
	Is this an <input type="checkbox"/> Initial Return or <input type="checkbox"/> Amended Return?					

STEP 4	COMPUTATION OF THE LIABILITY					
	1 Gross credit for state death taxes allowed on Federal Estate Tax Return... 1					
	2 Gross value of property located in New Hampshire..... 2					
	3 Value of total gross estate for Federal Estate Tax purposes..... 3					
	4 Percent of property located in New Hampshire (Line 2 divided by Line 3, expressed as a decimal to three places)..... 4					.
	5 New Hampshire Estate Tax (Line 4 multiplied by line 1)..... 5					
	6 Credits:					
	(a) Estimated tax..... 6(a)					
	(b) Credits allowed under RSA 86..... 6(b)					
	(c) Paid with original return (amended returns only)..... 6(c)					
	(d) Other credits or payments (Attach explanation)..... 6(d)					
	6 TOTAL CREDITS..... 6					
	7 Balance of tax due (Line 5 less line 6)..... 7					
	8 Additions to tax:					
	(a) Interest..... 8(a)					
(b) Failure to pay..... 8(b)						
(c) Failure to file..... 8(c)						
9 TOTAL ADDITIONS TO TAX..... 9						
10 Balance Due (Line 7 plus line 9)..... 10						
11 Refund Due (Line 6 less line 5, adjusted by line 9)..... 11						

STEP 5	THIS RETURN MUST BE ACCOMPANIED BY A COMPLETE COPY OF THE FEDERAL ESTATE TAX RETURN FORM 706
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Under penalties of perjury, I declare that I have examined this return and to the best of my belief it is true, correct and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has knowledge.

Signature of Executor/Administrator	Date	Signature of preparer if other than Executor/Administrator	Date
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FOR OFFICE USE ONLY

Preparer's Identification Number

Preparer's Address

City/Town, State and Zip Code

MAIL
TO: NH DEPT REVENUE ADMINISTRATION
DOCUMENT PROCESSING DIVISION
PO BOX 637
CONCORD NH 03302-0637

FORM

NH 706-ES

162

ESTIMATE FOR NEW HAMPSHIRE ESTATE TAX

WHEN: An estimate payment of the tax is due 9 months from date of death, even if the tax return is under Federal Extension.

WHERE: NH Department of Revenue Administration, PO Box 637, Concord, NH 03302-0637

IMPORTANT: Interest will be charged in accordance with RSA 21-J:28 if the required estimate is not filed timely.

NEED HELP: Call NH Department of Revenue Administration, Estate and Legacy Bureau (603) 271-2580. For hearing or speech impaired call TDD Access: Relay NH 1-800-735-2964.

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FORM

NH 706-ES

162

PAYMENT VOUCHER
Due: Nine Months From
Date of Death

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION

ESTIMATED ESTATE TAX**Please Print or Type**

Estate of :	LAST NAME	FIRST NAME	MIDDLE INITIAL	Decedent's Social Security No.	Date of Death
Domicile at date of death:	ADDRESS	CITY/TOWN	STATE	COUNTY	Probate Number
For Office Use Only	Name of Executor/Administrator:	LAST NAME	FIRST NAME	MIDDLE INITIAL	Executor's/Administrator's Social Security or FEI No.
	Executor/Administrator:	ADDRESS	CITY/TOWN	STATE	ZIP CODE

RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO: THE STATE OF NEW HAMPSHIRE

MAIL
TO:

NH DEPT REVENUE ADMINISTRATION
DOCUMENT PROCESSING DIVISION
PO BOX 637
CONCORD NH 03302-0637

Amount of Payment

\$

..... cut along this line

FORM

NH 706-ES

162

PAYMENT VOUCHER
Due: Nine Months From
Date of Death

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION

ESTIMATED ESTATE TAX**Please Print or Type**

Estate of :	LAST NAME	FIRST NAME	MIDDLE INITIAL	Decedent's Social Security No.	Date of Death
Domicile at date of death:	ADDRESS	CITY/TOWN	STATE	COUNTY	Probate Number
For Office Use Only	Name of Executor/Administrator:	LAST NAME	FIRST NAME	MIDDLE INITIAL	Executor's/Administrator Social Security or FEI No.
	Executor/Administrator:	ADDRESS	CITY/TOWN	STATE	ZIP CODE

RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO: THE STATE OF NEW HAMPSHIRE

MAIL
TO:

NH DEPT REVENUE ADMINISTRATION
DOCUMENT PROCESSING DIVISION
PO BOX 637
CONCORD NH 03302-0637

Amount of Payment

\$

New Hampshire Estate Tax Return
LINE-BY-LINE INSTRUCTIONS

STEP 1

Type or print the name of the decedent, the domicile of the decedent at date of death, the decedent's social security number, the date of death, and the probate number. Type or print the executor's or administrator's name, address and social security number or federal employer identification number.

STEP 2

Complete this section if someone other than the executor or administrator will represent the estate on matters dealing with this tax return. The executor or administrator must sign on this line in addition to signing the return for the power of attorney to be effective.

STEP 3

Check the INITIAL RETURN box only if this is the first NH 706 return that has ever been filed. Check the AMENDED RETURN box if this is the second (or additional) return that has been filed for this estate. Attach a copy of approved Federal Extension request.

STEP 4

Line 1 - Enter the amount from line 15 (credit for state death taxes) found on the Federal Estate Tax Return (Form 706).

Line 2 - Enter the total value of real and personal property located in New Hampshire as of the decedent's date of death.

Line 3 - Enter the amount from line 1, Federal Estate Tax Return, Form 706.

Line 4 - Enter the percent of the property located in New Hampshire (line 2 divided by line 3), expressed as a decimal to 3 places.

Line 5 - Enter the New Hampshire Estate Tax (line 1 multiplied by line 4).

Line 6(a) - Enter the amount of estimated tax paid with Form NH 706-ES.

Line 6(b) - Enter the amount of tax paid under RSA 86.

Line 6(c) - Enter the amount paid with the original return.

Line 6(d) - Enter any other credits or payments and attach an explanation.

Line 6 - Enter the total of lines 6(a) - 6(d).

Line 7 - Enter the total amount of line 5 minus line 6.

New Hampshire Estate Tax Return

LINE-BY-LINE INSTRUCTIONS

(Continued)

Line 8(a) - Interest is calculated on the balance of tax due from the original due date to the date paid. The interest rate's recomputed each year under the provisions of RSA 21-J:28,II. Applicable rates for the current and prior years are as follows:

For the number of days prior to 1/1/98 interest is calculated at 15%.

$\frac{\text{Tax Due (line 7)}}{\text{Number of Days}} \times \frac{\text{Interest Due}}{.000411}$ Enter on line 8(a).

For the number of days prior to 1/1/99 interest is calculated at 11%.

$\frac{\text{Tax Due (line 7)}}{\text{Number of Days}} \times \frac{\text{Interest Due}}{.000301}$ Enter on line 8(a).

For the number of days after 1/1/99 interest is calculated at 10%

$\frac{\text{Tax Due (line 7)}}{\text{Number of Days}} \times \frac{\text{Interest Due}}{.000274}$ Enter on line 8(a).

Line 8(b) - A penalty equal to 10% of any nonpayment or underpayment of taxes shall be imposed if the taxpayer fails to pay when due and the failure to pay is due to willful neglect or intentional disregard of the law but without intent to defraud. If the failure to pay is due to fraud, the penalty shall be 50% of the amount of the nonpayment or underpayment.

Line 8(c) - A taxpayer failing to timely file a complete return will be subject to a penalty equal to 5% of the tax due (line 7) or \$10, whichever is greater, for each month or part thereof, that the return remains unfiled. The total amount of this penalty shall not exceed 25% of the balance of tax due (line 7) or \$50, whichever is greater. Calculate this penalty starting from the original due date of the return until the date a complete return has been filed.

Line 9 - Enter the sum of lines 8(a), 8(b) and 8(c).

Line 10 - If the total tax (line 5) plus interest and penalties (line 9) is greater than the amount previously paid, (line 6), then enter the balance due. If less than \$1.00, do not pay, but still file the return. Make check or money order payable to: **STATE OF NEW HAMPSHIRE**. Payment must accompany the return. To ensure that the check is credited to the proper account, please put the executor's/administrator's identification number and the decedent's name and identification number on the check.

Line 11 - If the total tax (line 5) plus interest and penalties (line 9) is less than the amount previously paid (line 6), then you have overpaid the tax and a refund is due. Please allow 12 weeks for processing your refund.

STEP 5

This return must be accompanied by a complete copy of the Federal Estate Tax Return, Form 706. The return must be dated and signed by the executor or administrator. If the return was completed by a paid preparer, then the preparer must also sign and date the return. The preparer must also enter their federal identification number and complete address.